

EARNED VALUE MANAGEMENT SYSTEM ACCEPTANCE

The DCMC shall provide or make available to NASA evidence supporting its acceptance of the contractor's Earned Value Management (EVM) system. Evidence of acceptance may take the form of a letter, report, or other document signed by both the government and the contractor such as an advanced agreement.

Where a contractor does not have prior government acceptance of their EVM system, the DCMC shall assist the NASA Procuring Contracting Officer or Source Selection Board in determining the adequacy of the proposed EVM system plan. The purpose of evaluating the system plan is to gain an understanding of the contractor's proposed internal EVM system and more specifically its intended application on a particular NASA contract.

SYSTEM SURVEILLANCE

System surveillance includes assessing the initial and continuing health of the contractor's EVM system by such activities as initial assessment of contractor compliance with system requirements, such as ANSI/EIA Standard 748-98, Earned Value Management System Guidelines. It also includes evaluating changes to the contractor's validated system to ensure continuing compliance.

Insightful surveillance techniques designed to minimize disruption to the contractor's workforce and duplication of efforts performed by other government agencies will be employed by the DCMC when assessing how EVM is applied in the operation of the company. It is NASA's intent to partner with the DCMC to facilitate such insightful system surveillance. If NASA has not delegated contract surveillance, the DCMC will be allowed reasonable access to contract documents; NASA prepared analyses, and will be authorized admittance to contract related meetings for the purpose of system surveillance.

The DCMC shall ensure that the contractor's EVM system meets and continues to meet the full intentions of ANSI/EIA Standard 748-98, Earned Value Management System Guidelines. The DCMC will perform on a recurring basis system surveillance to include the following activities:

- (a) Evaluating the effectiveness of the contractor's policies and procedures to ensure the continuity, consistency, reliability and effectiveness of the EVM system in operation.
- (b) Conducting periodic evaluations to ensure compliance with the accepted system description and that the quality of the system is maintained.
- (c) Verifying the contractor's internal data flow and external performance measurement reports to determine validity of reported data.

- (d) Verifying that contractor personnel are using EVM system data to manage.
- (e) Informing the contractor and the procuring activities of any deficiencies that affect overall acceptability of the contractor's EVM system and taking action to ensure corrective action is initiated.

The DCMC will:

- (a) Conduct Progress Assistance visits (PAVs).
- (b) Conduct Compliance Evaluations.
- (c) Conduct Post Acceptance Reviews for Cause.

EXPECTED WORK PRODUCTS:

The DCMC shall design, develop and execute a detailed surveillance plan to ensure the continued acceptance of the contractor's EVM system. The system surveillance plan shall be jointly reviewed with NASA stakeholders and the contractor annually and revised, if necessary.

System status reports shall be prepared quarterly and distributed to stakeholders electronically or as required by the provisions of the appropriate MOA or Letter of Delegation. Status reports will summarize all system surveillance activities accomplished including findings, results, and actions taken.

CONTRACT SURVEILLANCE

DCMC shall to ensure the contractor's EVM system meets contractual requirements and EVM system data are used for contractor and government contract management. Contract surveillance consists of the DCMC providing assistance in the evaluation of the cost, schedule and technical progress on a particular contract.

The DCMC will ensure that the contractor's EVM system's external cost and schedule reports contain information that:

- (a) Are derived from the same base as that used by the contractor's management.
- (b) Provide explicit and comprehensive variance analyses including reasons for variances, impact statements, and corrective action taken/planned with "get-well" dates.
- (c) Depict actual conditions and reports identify current and potential contract performance problems.

The DCMC will:

- (a) Participate in integrated baseline reviews (IBR's) and assure contract baseline integrity is maintained.
- (b) Ensure periodic evaluations of estimates at completion (EAC) are accomplished and participate in EAC reviews.
- (c) Review cost and financial data as required and ensure reconciliation between the Cost Performance Report (CPR) and the NASA Form 533.
- (d) Document contractor's EVM processes that differ from management implementation and identify the possible impact (positive and negative) to the cost, schedule and technical performance of the contract.
- (e) Monitor the contractor's corrective actions, as required by each of the above activities.
- (f) Provide a single focal point in matters relating to EVM contract surveillance and be responsive to the NASA requests.

After coordinating with NASA, contract surveillance activities should be reduced or eliminated where assessment of the contractor's EVMS indicates processes are maintained and used as part of the contractor's management culture.

EXPECTED WORK PRODUCTS:

The DCMC shall design, develop and execute a detailed EVM contract surveillance plan. The contract surveillance plan shall be designed to enable the DCMC to assess the impact of contractor EVM processes on contract performance. The contract surveillance plan shall be jointly reviewed with the NASA Project Office and contractor annually and revised, if necessary.

Contract status reports shall be prepared monthly and distributed electronically to the NASA Project Manager or as required by the provisions of the appropriate MOA or Letter of Delegation. These reports will summarize all surveillance activities accomplished including findings, results, and actions taken.